

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 808 - HB 1362

March 16, 2015

SUMMARY OF BILL: Defines “student attrition rate” as a decrease in the number of students from the start of the school year to the end of the school year. Requires a public charter school that serves grades kindergarten through eight (K-8) that has a student attrition rate greater than 200 percent of the average attrition rate for other K-8 schools located within a local education agency (LEA), to return all state and local funds that have been provided to the public charter school for each student above the 200 percent threshold at the request of the LEA. Requires funding to be returned to an LEA after annual attrition rates for the LEA, for K-8 students, has been calculated but before June 30. Requires annual attrition rates to be calculated using the average daily membership (ADM) that is placed in the Basic Education Program (BEP) funding formula.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – State and local BEP funding may shift from a public charter school to an LEA. The amount of any such shift is dependent upon the attrition rate of each K-8 charter school relative to the attrition rate in other LEA-operated K-8 schools within a fiscal year and whether an LEA will request funding to be returned. As a result, any such shifts in BEP funding cannot be reasonably quantified.

Assumptions:

- Based on information from the Department of Education, most LEAs currently monitor charter school enrollment through the academic year and adjust their payments to the public charter schools within their jurisdiction accordingly throughout the year.
- No impact on the BEP funding formula.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink, reading "Jeffrey L. Spalding".

Jeffrey L. Spalding, Executive Director

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